

PROVO RIVER DISTRIBUTION SYSTEM
703 Tribune Building
Salt Lake City 11, Utah

January 28, 1963

Heber City Light & Power Company
Heber City, Utah.

Attention: Mr. Ren Wootton

Gentlemen:

As you are well aware, of course, costs of administering the Provo River under the Morse decree of 1921 have increased over the years to the point that, today, they are more than double those of the year in which the Provo River decree was entered by the court.

As you also know, assessments levied each year in order to finance the costs of administering the river are flexible insofar as irrigation and domestic water uses are concerned, but in the case of the power water users the annual assessment was set in 1921 at a fixed figure, i.e., \$300 annually for the Utah Power & Light Co. and \$60 annually for the Heber City Light & Power Plant.

Last year the board of directors of the Provo River Distribution System, who are elected by the water users, felt that the fixed-rate power water users should be asked to voluntarily agree to an increased assessment so that they will be sharing equitably with other users the higher river costs.

Accordingly a committee was appointed, and, by examining old records, determined that in 1921 the total river administration cost was in the neighborhood of \$5000, while in 1962 it was \$13,700. It will be \$13,700 for 1963 also. However, nothing could be learned as to why a fixed rate was set by the court, nor what rule or motive guided it to choose the particular amounts in question.

In any event, the committee first waited on officials of the Utah Power & Light Co., who agreed that their company should bear a proportionate share of the higher costs. After considerable study on their part, they later offered to pay, and now are paying, on the basis of 5% of the total annual budget, this being approximately their costs on other river systems in which the company holds power water rights. They specifically reserved the right to revise this percentage upward or downward as future fact-finding might indicate.

Attn: Reese
Lambert
North
Higginson

Reference to Provo
River cost bill
1/28/63

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Their proposal was gratefully accepted by the Committee and by the Board of Directors, so that last year instead of paying the fixed rate of \$300 the company paid \$685; and will so pay again this year.

The Committee, and the Board, both feel certain that your agency has no wish to enjoy any special benefits at the expense of other water users and that you, too, will be willing to voluntarily increase in your annual assessment. The committee therefore respectfully urges you to consider the Utah Power & Light Company's findings and offering to the end that you would pay on this same basis, being in your case one per cent of the annual budget, subject to future revision as facts may indicate. For 1963 the amount payable would be \$137 instead of \$60.

In the meantime, the Committee would appreciate the opportunity of meeting personally with your officers, if you would so desire, in order to further explain the proposal and to answer any questions you may have as fully as is possible.

If you would wish such a meeting, please contact the undersigned either by letter or by telephone, collect.

On the other hand, if you find the proposal here submitted to be a fair one and you are willing to be assessed on this basis, it would be appreciated if you would so notify the State Engineer of Utah by letter, with a copy to the undersigned.

Since the assessment roll must be compiled by the State Engineer at an early date, it would be appreciated if you could give this matter your early attention.

Respectfully submitted for the Committee:

Niels Andersen, Chairman
266 No. State, Orem
Telephone: AC 5-3687

Elmer A. Seal, Riverton
Hampton C. Godbe, Secretary

cc- State Engineer's Office
- Wallace R. Wayman
Provo River Commissioner